

THE WHITE HOUSE

WASHINGTON

January 12, 1984

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS *JGR*SUBJECT: James E. Steiglitz

James E. Steiglitz is a former Special Forces medic, son of a famous New York photographer, and a free-lance photographer himself. In a private capacity Steiglitz used his medical background to gain access to areas in Nicaragua where Miskito Indians were being held, taking photographs not only of their deplorable conditions but also of significant strategic locations such as military installations and oil refineries. Steiglitz, through his attorney William J. Olson, maintains that two NSC staff members, Oliver North and Alfonso Sapia-Bosch, and two unidentified CIA agents, ordered him to obtain professional quality enlargements of some of the photographs. Steiglitz did so, allegedly at a cost of \$10,970.17, and now wants reimbursement.

[REDACTED]

b6

and threatened litigation if the matter is not resolved quickly, warning that during such litigation it may be necessary to disclose sensitive and embarrassing security-related information.

I discussed the matter with Bob Kimmitt, Paul Thompson, North, and Sapia-Bosch. North and Sapia-Bosch provided statements to Thompson, which are attached. According to North, Steiglitz came to him with the photographs in early July. North ascertained from DIA that the photographs lacked intelligence value, but he did tell Steiglitz that a larger copy of one of the photographs, of a malnourished Miskito child, would be useful. Steiglitz returned with an enlargement, which he provided to North along with several other photographs, on the condition that North not publish the prints and give Steiglitz credit whenever they were used. North gave Steiglitz a signed note embodying these conditions, without retaining a copy. North has used the photograph in briefings, always giving Steiglitz credit. North asserts that he never discussed paying Steiglitz for anything, and did not imply in any way that Steiglitz would be paid.

According to Sapia-Bosch, Steiglitz approached him when North was away from the office. Sapia-Bosch reviewed the

- 2 -

photographs and told Steiglitz that they were of bad quality. Steiglitz asked if Sapia-Bosch would be interested if he could get better copies, to which Sapia-Bosch replied that he would. Sapia-Bosch was later given some 30 photographs by Steiglitz, which he has retained but never used. In response to Steiglitz's repeated inquiries, Sapia-Bosch told him he would try to help him obtain money from private sources. Sapia-Bosch did so, unsuccessfully. Sapia-Bosch asserts that he never promised Steiglitz payment.

Steiglitz's version of the facts is different from the foregoing. In Steiglitz's version North and Sapia-Bosch "order" enlargements of various prints, saying such things as that expenses "will be taken care of" and that "two guys will be calling with the money." Assuming the accuracy of the North/Sapia-Bosch version, it seems that the case comes down to Steiglitz interpreting North's and Sapia-Bosch's statements that something would be "useful" as an order for that to be done, with reimbursement for expenses to follow. This may have been naive on Steiglitz's part, but it also strikes me as disingenuous for North and Sapia-Bosch to claim they never implied they would cover Steiglitz's costs when they did tell him that they would "like" certain things and that certain things would be "useful." My impression is that anyone dealing with Steiglitz would know that he could easily misinterpret such remarks. In the case of the photograph of the Miskito child, Steiglitz at least has something of a quantum meruit claim, since that enlargement has been used extensively by the Administration. I would not be averse to offering Steiglitz his expenses associated with that enlargement and, pending more precise information on what photographs were given to Sapia-Bosch after he said he would like better copies, perhaps the expenses associated with those as well. This would be far less than the \$11,000 demanded by Steiglitz, but may be enough to settle the claim, particularly since Steiglitz would have great difficulty prevailing in court on a theory of implied contract with the Government.

Paul Thompson is checking to determine if NSC has authority to provide any money to Steiglitz. If such authority exists, I would recommend telling NSC that we think it advisable to try and settle the claim for an amount equal to or less than the documented expenses Steiglitz incurred to obtain items North and Sapia-Bosch indicated they would "like" to have, and then retained. Presumably actual negotiations would be handled by NSC and/or OA rather than our office.